Youth unemployment: Territorial trends and regional resilience

Applied Research

Inception Report

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## Abbreviations

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<th>Description</th>
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<tbody>
<tr>
<td>ALMPs</td>
<td>Active Labour Market Policies</td>
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<tr>
<td>CoR</td>
<td>European Committee of the Regions</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
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<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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<tr>
<td>ESC</td>
<td>European Solidarity Corps</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>ESPON</td>
<td>European Territorial Observatory Network</td>
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<td>EU</td>
<td>European Union</td>
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<td>EURES</td>
<td>The European Job Mobility Portal</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GISCO</td>
<td>Geographical information system of the Commission</td>
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<tr>
<td>LEED</td>
<td>Local Economic and Employment Development (OECD)</td>
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<td>LFS</td>
<td>Labour Force Survey</td>
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<tr>
<td>MR</td>
<td>Metropolitan Regions</td>
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<tr>
<td>NEETs</td>
<td>Young person who is &quot;Not in Education, Employment, or Training&quot;</td>
</tr>
<tr>
<td>NUTS</td>
<td>Nomenclature of Territorial Units for Statistics</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PES</td>
<td>Public Employment Service(s)</td>
</tr>
<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
</tr>
<tr>
<td>YE</td>
<td>Youth Employment</td>
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<tr>
<td>YEI</td>
<td>Youth Employment Initiative</td>
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<tr>
<td>YU</td>
<td>Youth Unemployment</td>
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1 Introduction

The focus of this applied research project is the identification and analysis of the levels, causes and impact of youth unemployment (YU) in European regions. In particular, on the ways in which these regions have responded to the increase in YU brought on by the financial crisis of 2008, through analysis of the situation before and after and the impact and recovery trajectories of individual regions over the period 2000-2016. The data collected will be analysed, mapped and complemented with case studies, thus providing the basis for policy recommendations on how EU cohesion policy can contribute to strengthening the resilience of European regions against youth unemployment.

The European Commission (EC) defines YU as including all young people between the ages of 15 and 24 who are unemployed. YU increased as a direct consequence of the economic crisis of 2008, and the YU rate\(^1\) has been a major concern for policy-makers ever since. However, a large share of people between these ages (and particularly aged 15-18) are outside the labour market (for example in full time education and not available for work) which contributes to unemployment rates generally higher than those for all ages. There are also those young people not in employment, education and training (the so-called NEETs), some of who represent potentially at-risk groups for social exclusion\(^2\).

The topic of YU is a priority one at EU level, since nearly a decade after the crisis; some labour markets have failed to recover to a point comparable to overall unemployment rates. By transferring the analysis of YU from a national to a regional (NUTS 2-3) level allows an approach that takes into account the many contextual factors influencing YU which are often found in regional characteristics rather than at a wider scale.

This inception report outlines the detailed strategy developed by ICON for meeting all technical requirements of the project. The report summarises the planned approach for each of the five separate, though interrelated tasks in the work plan, with a technical annex offering additional information where necessary. The structure and content respond directly to the requirements for the inception phase (as described in the terms of reference) and reflect the comments received from ESPON on the first draft of the inception report.

The language and content of the report is rather technical in its nature, as it presents the methodology developed by the research team in order to implement the individual tasks necessary to answering all research questions raised by the topic of YU at NUTS 3 region-level in Europe. The proposed approach is detailed in Chapter 3 of the report, and will serve as a guideline for the expected workload as well as a reference, to be used by both the researchers and project support team, to the way the research approaches being

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\(^1\) Defined as the percentage of the unemployed in the age group 15 to 24 years old compared to the total labour force (both employed and unemployed) in that age group

\(^2\) Not all NEETs can be categorised as the same since some young people choose to remain outside normal employment, education or training channels, but may have independent means or may be on long-term leave (e.g. taking a ‘gap’ year).
implemented under the project umbrella will build on each other and converge to provide a solid evidence base for the policy recommendations which will result from this applied research. Because of this, the current report is designed as more of a methodological paper, while the following reports, and the final report in particular, will be presented in a less technical and more accessible manner.

The initial concept definitions have been provided below. They will be subject of further refinement in the early stage of implementation of the research project, as parameters become clear and the broad concepts can be adapted to the particular needs of this study, especially when it comes to analysing YU from a regional perspective.

**Youth unemployment** includes all the youth (i.e. people between the ages of 15 and 24, inclusive) who are unemployed. The youth unemployment ratio is the percentage of unemployed young people compared to the total population of that age group (not only the active, but also the inactive such as students). Unemployed people are those who report that they are without work, that they are available for work and that they have taken active steps to find work in the last four weeks.

**Young people not in employment, education or training (NEET)** is measured by the share of persons aged 15-24 who have left formal education with at most lower secondary education and who are not employed nor engaged in any kind of further education or training.

**Measuring** – the youth unemployment rate is calculated by dividing the number of unemployed persons aged 15 to 24 by the total active population of the same age group. The indicator is based on the EU Labour Force Survey. The youth unemployment ratio has the same numerator as the youth unemployment rate, but the denominator is the total population aged 15 to 24. It thus gives an unemployment-to-population measure. The size of the youth labour market (i.e. the size of the young labour force) does not affect the youth unemployment ratio, as they would the unemployment rate.

**Decomposition** – youth unemployment data is usually decomposed by: sex, age, level of education, migration status, socio-economic situation, geographic situation, duration, etc.

**Data limitations** – how well the agreed parameters depict the studied phenomenon (e.g. unregistered unemployment, atypical working time, involuntary part-time employment, and others).
2 Youth Unemployment – an overview

2.1. Brief overview of the current situation

High levels of YU found in countries throughout the world represent serious social and economic challenges. The long-term negative effects of YU on individuals and social groups have been reinforced through multiple socio-economic studies, with evidence that any period of unemployment experienced by a young person aged under 25 years old is likely to increase the overall time spent unemployed for that person throughout their working life. The impact of high YU rates on the labour market, both in the short-term and the long-term, is significant both in the effects it has on the workforce and in the longer-term destabilisation of the labour market this tends to lead to.

Ten years after the financial crisis of 2008, labour market economists and policy makers continue to assess the situation and attempt to present solutions to the slow recovery of the labour market, particularly when it comes to young jobseekers. The collaborative economy\(^3\) (or sharing economy), initially appearing to be a promising solution to integrating youth – particularly those with limited work experience – into the labour market presents multiple risks, from taxation issues to worker protection and the unstable employment offered by gig-type jobs. Studies of the effects of this new approach to employment are on-going, and a qualitative assessment of the gig and collaborative economy at regional level would likely bring a relevant new perspective into the field.

2.2. State of the art research

Youth unemployment has become a high-impact reality at global level after the crisis. It is one of the most current and pressing topics for research and considerable work has been done in the field over the last decade. This work addresses YU at different levels, responding to the needs of various policymakers from national authorities to development agencies. In Europe the EC leads the efforts in identifying the features and manifestations of youth unemployment, with such short informative works as Addressing Youth Employment in the EU\(^4\) and following with complex EU-wide research identifying the causes and effects of youth unemployment by using the comparable data provided by Member States.

Additional relevant actors in the field include international organisations such as the OECD which offers another relevant source of data on YU at national level\(^5\) across its member states providing a relevant comparative outlook on key factors influencing YU both within and outside of the EU. In addition, national and independent research centres have tackled the

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\(^3\) European Commission publications and communications on the topic of the collaborative economy are available at: http://ec.europa.eu/growth/single-market/services/collaborative-economy (accessed 14 February 2018)

\(^4\) European Commission (2015) Addressing Youth Employment in the EU, Published ahead of print, DOI 10.2767/820801

issue through research focused on specialised topics of interest, as well as national developments of YU since the crisis.

Research related to YU at the level of European regions is mainly represented in the significant work through ESPON research programmes and projects on specific topics through contracted research throughout Europe. The ESPON 2020 Cooperation Programme in particular aims to engage in a collaborative effort towards improving regional resilience to youth unemployment. The provision and policy use comparable, systematic and reliable territorial evidence across Europe for this is a natural extension of this overall priority axis.

Resulting publications take on different topics of interest in the field of employment and unemployment from the regional perspective, bringing a highly relevant additional dimension to the European policy debate. The applied research project "Geography of new employment dynamics in Europe", not yet published at this date but kindly made accessible to the ICON research team by the ESPON project support team, is one of the most relevant projects to the present research topic, since changing employment dynamics in response to the unemployment crisis has a particular impact on unemployed youth. Additional regional insights on the connection between economic resilience and unemployment, and the relations between access and development and the relevance of territorial cooperation in itself provide the foundation for an analysis of regional resilience to youth unemployment.

2.3. Policy arena

In 2013 the EC developed a union-wide policy aimed at combating youth unemployment, the Youth Guarantee (YG). The declared aim of the YG is that all young people under the age of 25 years should receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education. It is based on a Council Recommendation adopted in 2013 requesting a commitment by Member States to work towards tackling YU through providing opportunities. Three years into the launch of the YG, the rate of YU dropped significantly, demonstrating the success of this initiative. However, a 2017 audit found results from the YG to be lower than expected and recommended that both Member States and the EC should "perform gap assessments and market analyses prior to setting up the schemes".

The Council and the European Parliament has, in parallel, launched the Youth Employment Initiative (YEI) as a way of financing the YG and extending EU financial support to regions and individuals most vulnerable to YU and inactivity. The methodological and financial

8 The rate of YU went from a peak of 24.4 % in 2013 to 18.9 % in 2016, as seen on http://ec.europa.eu/social/main.jsp?catId=1079 (accessed 10 February 2018)
9 Youth unemployment – have EU policies made a difference? An assessment of the Youth Guarantee and the Youth Employment Initiative, May 2017
support of the YEI offered a seemingly ideal approach to reducing YU across the EU, but its implementation faced some difficulties as the measures for implementation were taken at national level, and the data collected at a centralized level tended to overstate results, making the impact assessment and improvement of approaches more difficult.\textsuperscript{10}

The YEI\textsuperscript{11} is an EU-level financing strategy designed to provide support to particularly vulnerable regions, where YU is higher than 25%. Therefore, the EUR 6.4 billion financing (to which, according to the above-mentioned factsheet, the European Social Fund (ESF) and YEI each contributed half) have been dedicated to the provision of direct, targeted support to regions where resilience to youth unemployment is particularly low. This is, for the purposes of the YEI, measured by the rate of NEETs in the region, and the financial support provided is an investment in apprenticeships, traineeships, job placements and further education leading to a qualification. This approach does not, however, include an assessment of the characteristics of more or less resilient regions and, therefore, does not provide the regions themselves with support in reducing their own youth unemployment by approaching its causes and measuring its effects. Rather, it is addressed to the unemployed youth directly, of who it has reached around 1.4 million between 2013 and 2016.

In April 2013, following a proposal made by the EC, a Council Recommendation was adopted which brings together the Member States in their ambition to reduce youth unemployment and NEET rates, and provides specific aims and target numbers for these goals. The EC maintains and updates an EU Youth Strategy aimed at unifying and guiding policy-making in the field aiming to maximise its efficiency. The Council acts in tandem and has issued the “European Union Work Plan for Youth for 2016-2018” as a framework for cooperation. These documents provide an overview of ongoing strategic developments in the field of youth employment policy in Europe, allowing other stakeholders to develop their own research work in such a way as to avoid duplications, and provide added value to the overall aim of reducing YU.

Meanwhile, the European cohesion policy\textsuperscript{12} is the basis for the development of thousands of projects all over Europe which are funded by the European Regional Development Fund (ERDF), the ESF and the Cohesion Fund. The Cohesion Fund, much like the YEI, is aimed at supporting the more vulnerable Member States, here in reference to their GDP, where the linkage between economic and employment data is one of key factors influencing YU\textsuperscript{13}. The Treaty of Lisbon (2007) expanded on the idea of cohesion, initially seen as a connection meant to support weaker Member States, talking about economic, social and territorial...

\begin{thebibliography}{99}
\bibitem{10} Ibid.
\bibitem{11} First results of the Youth Employment Initiative, A Final Report to DG Employment, Social Affairs and Inclusion of the European Commission, Directorate- General for Employment, Social Affairs and Inclusion, June 2016, European Commission
\bibitem{12} Dijkstra L. My Region, My Europe, Our Future, the 7th Cohesion report, Policy development and Economic analysis unit, European Commission 2017
\end{thebibliography}
cohesion. The Cohesion Policy has set 11 thematic objectives for its activity during the period 2014-2020, of which the 8th is Promoting sustainable and quality employment and supporting labour mobility.
3 Research and methodological framework

3.1. Qualification of the research questions from ToR and Proposal

The inception period of this project was dedicated to a careful analysis of the available information in the field of YU in Europe, and to and to a lesser extent outside Europe. This has allowed the team of experts working on the project to revisit the research questions in the ToR and design an appropriate approach.

The identification of territorial patterns and trends of YU, including the active/inactive NEETs, in European regions and cities seen in a pre- and post-crisis perspective was the first research question. The timespan for this analysis is 2000-2016 period. and addressing the relevant issues will lead to identification of different categories of European regions, by typologies with respect to the level to which they were affected by YU and the policy response applied. The research question will be tackled in tasks one, two and three of the report where data will be collected, analysed and mapped to identify territorial patterns and trends of YU in Europe, its regions and cities.

To permit a structured and thorough approach to answering this complex first research question, it has been further broken down into nine sub-questions on youth unemployment-related issues in European regions, thus making it easier to identify and classify the aspects of territorial patterns and trends:

1. What definitions of unemployment, inactive, and NEET are most relevant to the study and should be used?
2. Which classification of territories best explains and is the most relevant to YU?
3. What groups of youth are to be distinguished in the analysis and policy making? (age group, sub-groups, gender, education, migration background, etc.)
4. What distinguishes YU or inactivity from unemployment and inactivity in general, or what is specific in YU (age, causes, potential impacts, required measures to support them, etc.).
5. What territorial patterns and trends of YU, including the active/inactive NEETs, can be identified in European regions and cities seen in a pre- and post-crisis perspective, 2000-2016?
6. Can specific territorial patterns be identified concerning YU and the active/inactive NEETs in different types of regions (urban areas, islands, low-density populated areas, rural areas, cross-border areas, etc.)?
7. How is YU geographically distributed in terms of gender and ethnicity, as well as age sub-groups?
8. How do the development trends of YU compare to the development trends of total unemployment?
9. In what regions are the patterns identified concerning YU comparable to the patterns of total unemployment and in what regions do the patterns differ from overall unemployment?

The answers to this set of questions will be found through data analysis and pattern identification once the data becomes available. The specific approach planned for the collection and mapping of this data is described in Chapter 3 of this report.

Using a similar approach, the second research question on general and specific key factors (causes) behind the development of youth unemployment in European countries and regions was split into several sub-questions:

1. What are the general and specific key factors (causes) behind the development of YU in European countries and regions taking into account: the structure of the labour market, the concentration of economic sectors (industry, agriculture, ICT, etc.), the education systems, including the existence of vocational training and apprenticeships (which are of particular importance in relation to the NEETs), the levels of mobility, the social welfare system, as well as the specific cultural and historical contexts?

2. What are the most important (closely related) causes of YU? – regional labour market structure, economic sectors structure, general unemployment level, development of education and VET, etc?

3. What general and specific consequences of YU can be detected across European countries and in different types of territories?

4. What are the most important (closely related) implications of YU?

5. To what extent can lower levels of YU and active/inactive NEETs in certain European countries and regions be attributed to the regional resilience capacity, level of mobility, governance structures and policy initiatives?

The key linked factors, causes and consequences of YU will be analysed in deliberate research steps. The specific causes will be separated into causes of unemployment and causes of a retreat from the labour market, and the applied to individual territories and their own specific conditions. Regions with comparatively high concentrations of certain economic sectors may offer special cases for analysis, since sectors such as IT are often more open to employing young jobseekers recently out of training, while more traditional sectors may prefer to employ experienced workers. National legislation and provisions for students may encourage youth to remain in education, as under certain circumstances this can be more financially reasonable to youth than to enter unemployment or part-time employment in an uncertain labour market. Regional conditions also influence the employment opportunities of vulnerable groups within the age range of 15-24, affecting, for example, women, different ethnic groups or the disabled.

The consequences of YU are often long-term and have an impact on regional labour markets. Youth who experience a period of unemployment at the start of their career may be more likely to experience further unemployment spells in the active labour market. The negative
consequences for both the individual and the employer are obvious, with the young people failing to acquire the work experience and skills needed by employers. Educational institutions may also react to high rates of YU by encouraging young people into educational choices that may not offer the best employment prospects, leading to future mismatches on the labour market.

The goal of this research question is to provide robust information on:

- **The key regional characteristics linked to youth unemployment** – identification of factors with strong co-incidence or cause-effect relationship with high and low, sporadic and persistent youth unemployment

- **The differentiated characteristics of the types of regions obtained by the earlier cluster analysis (typology of regional youth unemployment)** – identification of specific features of regions experiencing high and low, sporadic and persistent youth unemployment.

Answers to the third research question, on the extent to which lower levels of YU and active/inactive NEETs in certain European countries and regions can be attributed to the regional resilience capacity, level of mobility, governance structures and policy initiatives, will be developed by building on the detailed responses to the previous two questions and providing a comparative overview of YU and NEET rates across regions with their specific characteristics.

Regional resilience to youth unemployment can be identified at NUTS 3 level through data analysis and careful mapping but will require significant cross-examination in order to be linked to regional characteristics. It would be an oversimplification to link it directly to the economic statistics of a region, and a complex proposition to attribute it to certain specific government structures and policies, or even to such causal context as the geography of a region and its cultural makeup. Other considerations, such as the level of mobility among young people and the types of industries in the region as compared to the educational opportunities, availability of apprenticeships and even gender of jobseekers need to be considered before extrapolating on potential linkages and cause-effect relations. Of course, it is more likely that financially stable regions offer better employment and education opportunities for young people and attract mobile workers to increase the workforce. An axis of approach to this question can be a comparison of NEETS and other unemployed youth, as well as of the unemployed versus registered jobseekers. Trust in the public or private employment providers in the regions may differ, however, so data must be used cautiously. These aspects will be investigated in the detailed case studies of situations in different types of region across Europe.

The fourth research question for this study focuses on the identification of good practices in terms of implementing solutions to tackle youth unemployment in European regions, including on promoting youth employment, education/training and implementing the Youth Guarantee,
the Youth Employment Initiative as well as the EURES initiative. Further, key success factors and means to address the challenges for implementing the Youth Guarantee and the Youth Employment Initiative should also be identified.

Perhaps most importantly, this research question aims to identify transferable good practices.

A detailed methodological approach to providing a response to this research question is given in Chapter 3 of this report, detailing the proposed approach to the implementation of case studies as a means to provide qualitative evidence for the analysis of youth unemployment at a regional level.

This research question can be broken down into five concise sub-questions qualifying its content, as follows:

1. What sample regions can best represent YU-related situations and policies, reflecting different regional settings?
2. What good practices in terms of implementing solutions to tackle YU in European regions can be identified, including those on promoting youth employment, education/training and implementing the YG, the YEI and the EURES initiative?
3. What are the key success factors and how are the challenges for implementing the YG and the YEI being addressed?
4. Which good practices could be transferred to other regions and if so, how?
5. How can Cohesion Policy be further mobilised to support long-term structural reforms to promote youth employment and enhance the implementation of the YG, the YEI and the EURES initiative to strengthen the resilience in European regions against YU?

The main research methods applied for the study of policy lessons and the formulation of recommendations on policy approaches to YU in different types of European regions will be:

- Case studies – in depth analysis of factors linked to regional YU and regionally applied strategies and policies in a set of regional/local case studies
- Policy analysis – in depth analysis of EU programmes and instruments dealing with YU

The ten local case studies to be completed within the project have the potential to provide a valuable insight into how youth unemployment has been successfully tackled considering the context factors. However, with just 10 cases studies at NUTS 3 level, they can never be representative of similar areas across EU Member States. Their selection is therefore of crucial importance and will determine their usefulness to the whole project. This will take time, following an iterative process that helps ensure the final choice of case studies is a valid one. It is therefore unrealistic that the shortlist of possible case studies can be compiled during the inception phase, though it is possible to set out the broad parameters of their selection.

The fifth and final research question for this study aims to identify the ways in which the Cohesion Policy could be further mobilised to support long-term structural reforms to promote
youth employment and enhance the implementation of the YG, the YEI and the EURES initiative to strengthen the resilience in European regions against youth unemployment.

The Cohesion Policy and its potential directions for mobilization is a topic which will require a careful analysis of the directives for funding and identifying its activity level in the more vulnerable regions. Particularly when it comes to supporting the YG and YEI as well as EURES (with aims to strengthen resilience against unemployment in the regions) and European Solidarity Corps (ESC), the availability of regional and territorial funds may be of importance. This will require a collaborative framework to be developed, discussed and agreed between the agencies and stakeholders involved. In addition, some existing Cohesion Policy initiatives can be directly adapted to strengthening regional resilience to YU, for example the Policy Learning Database, which has potential be a good tool for disseminating good practices such as those to be collected under the present project focus of this inception report.

The final stage of the work will consist in extracting and combining knowledge generated in the previous stages (the work conducted under Tasks 2-4) to provide policy recommendations. These recommendations will target EU Cohesion Policy instruments and measures to improve their application for different types of regions to prevent and combat YU.

EU provides extensive support in Member States and regions to tackle YU and inactivity (through the YG, YEI, EFS), including relevant Council Country-Specific Recommendations which influence the operational programmes. The YEI specifically supports NEETs aged under 25 residing in regions experiencing YU rates above 25% in 2012 and complements the YG. These instruments are extensively covered by programming tools such as monitoring and evaluation which will be studied to identify general policy issues to be covered in more detail.

Recommendations stemming from the policy analysis will logically follow from the evidence built and conclusions drawn for Tasks 2-4 of the project:

- Conceptual inputs from the literature;
- Statistical observations and multivariate analyses along key dimensions related to YU and regional conditions, including resilience;
- Qualitative information extracted from case studies.

Task 5 will be carried out by the following methods, appropriate for policy analysis:

- focus groups,

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14 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, (2016) The Youth Guarantee and Youth Employment Initiative three years on. Available at: https://ec.europa.eu/transparency/regdoc/rep/1/2016/EN/1-2016-646-EN-F1-1.PDF (accessed 11 February 2018)
• brainstorming sessions, and
• policy Delphi techniques.

The recommendations will address possible new or improved funding mechanisms and criteria, policy approaches, collaborative practices, synergies which can be obtained among policy instruments, etc. Experts will investigate policy dealing with YU and inactivity by: identifying important conceptual and policy issues nor yet covered by existing instruments, areas for policy experimentation, atypical situations which require adjustment of policy instruments, assessment of transferability and mainstreaming positive policy lessons.

The recommendations are expected to inform existing policy and practices to foster regional resilience to YU and inactivity.

3.2. Outline of the framework

Table 1 below presents a summary of the planned research approach and provides an overview of the work subsequently described in greater detail. It serves to to draw a linkage between the research tasks set out in the project ToR and the overall research questions as detailed above.

<table>
<thead>
<tr>
<th>Key policy question and research task</th>
<th>Research question/issue</th>
<th>Sources/methods</th>
<th>Analysis</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>PATTERNS and TRENDS</td>
<td>Task 1 (data collection)</td>
<td>• Mapping of the territorial patterns – Key Issue 1: Comparative analysis of youth unemployment trends in European regions and cities, pre- and post-crisis</td>
<td>• Literature review on youth unemployment • Secondary analysis of existing EU level data, comparative analysis • Synthesis of data patterns and qualitative aspects</td>
<td>• Definitions, measuring, etc. • Descriptive statistics • Quantitative analysis • Cluster analysis • Qualitative analysis</td>
</tr>
<tr>
<td>Key policy question and research task</td>
<td>Research question/issue</td>
<td>Sources/methods</td>
<td>Analysis</td>
<td>Outcomes</td>
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</table>
| **KEY LINKED FACTORS**               | • Identifying key factors behind youth unemployment and its consequences - Key Issue 2: Specific causes of youth unemployment and Key Issue 3: Consequences of youth unemployment | • Literature review on youth unemployment and regional resilience  
• Secondary analysis of data on youth unemployment and regional resilience  
• Synthesis of data and qualitative aspects, identification of cause-effect relations | • Predicting cause-effect relationships, verifying assumptions  
• Regression analysis  
• Factor analysis  
• Quantitative analysis  
• Expert panel/Delphi (optional) | • Causes and consequences of youth unemployment from different territorial perspectives |
| **POLICY LESSONS**                    | Identifying policy lessons and formulating recommendations - Key Issue 4: Regional resilience to youth unemployment and Key Issue 5: The Cohesion Policy and its potential directions for mobilization in the strengthening of territorial resilience to youth unemployment. | Outcomes of earlier analysis  
Case studies  
Policy analysis | As above  
Qualitative analysis  
Quasi-Delphi | Youth employment policy lessons from different types of regions  
Policy recommendations on strengthening resilience towards youth unemployment at EU, MS and Region levels |
Figure 1 below is a visual representation of the proposed research framework, once more aiming to simplify and condense the research approach and ensure an overall cohesion is maintained in the work.

**Figure 1: Research Framework summarised**

<table>
<thead>
<tr>
<th>Key policy questions</th>
<th>PATTERNS and TRENDS</th>
<th>KEY LINKED FACTORS</th>
<th>POLICY LESSONS and RECOMMENDATIONS</th>
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</thead>
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<tr>
<td>Study tasks</td>
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<tr>
<td>Task 1:</td>
<td>Task 2:</td>
<td>Task 3:</td>
<td>Task 4:</td>
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<tr>
<td>Mapping and analysis</td>
<td>Mapping and analysis</td>
<td>Identifiaction</td>
<td>Case studies of good practices in</td>
</tr>
<tr>
<td>of youth</td>
<td>of youth unemploymen</td>
<td>an analysis of</td>
<td>combating YU</td>
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<td>nt and NEETs</td>
<td>nt and NEETs</td>
<td>key factors</td>
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<td>behind YU trends</td>
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<td>- Quantitative analysis</td>
<td>- Regression</td>
<td>- Qualitative analysis –</td>
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<td>- Definitions</td>
<td>- Cluster analysis</td>
<td>analysis –</td>
<td>case studies</td>
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<td>analysis</td>
<td>- Expert panel/</td>
<td></td>
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<td></td>
<td></td>
<td>Delphi (optional)</td>
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<td>Key outputs</td>
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<td></td>
<td></td>
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<tr>
<td>- Mapping and in-depth analysis of territorial patterns and temporal trends in YU</td>
<td>- Phenomena accompanying YU</td>
<td>- Good practices in combating YU in different types of regions</td>
<td></td>
</tr>
<tr>
<td>- Typology of European regions with respect to coping with YU</td>
<td>- Causes and impacts of YU, and relations between them</td>
<td>- Recommendations on making Cohesion Policy more effective in combatting YU</td>
<td></td>
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<tr>
<td>- Collection of comparative territorial evidence for further analysis and studies of YU</td>
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<td></td>
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</tr>
<tr>
<td>Overall objective</td>
<td>Overall objective</td>
<td>Overall objective</td>
<td>Overall objective</td>
</tr>
<tr>
<td>To provide territorial evidence on youth unemployment trends (… and inform cohesion policy)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.2.1. **Quantitative approach: data availability and collection**

Responding to the research question on territorial patterns and trends of YU in European region, the data necessary will be historical (2000-2016) and derived from the Labour Force Survey (LFS) via Eurostat. Potential inputs from local administrations able to provide NUTS 3 level data will also be explored, particularly for the case studies. The territorial distribution of YU by type of region, but also by age, gender and ethnicity, would allow identification of possible links between unemployment and vulnerable groups and migrants, as well as connect unemployment with social trends such as the increased participation of women in the labour market. Data on ethnicity will represent a minor factor of analysis in this study, among the many other factors influencing YU which must be taken into account. A detailed analysis of ethnicity at regional level would unavoidably affect the overall course of the study and require additional time and specialised efforts which would place it outside of the scope of this research. Therefore, so-called equality data15 will be viewed as one of the many sectors of influence in the complex network of factors impacting YU at regional level and will be noted as part of the qualitative analysis.

A comparison of total unemployment and YU in particular will provide insight into the local impact of the Great Recession and its aftermath, which led to the increase in YU in the EU, albeit with significant variation between Member States. Comparing developments in YU and total unemployment may, for example, indicate whether regional labour markets excluded youth from employment opportunities, the increased take-up of higher and tertiary education as a response to poor employment prospects, among other regional trends and their underlying factors. These trends are particularly relevant at NUTS-3 level as they respond to regional factors and can be influenced by more localised changes in social situations than nationally.

**Approach to data identification**

Most of the relevant data has been already identified (see lists of dimensions and parameters at NUTS 2 and NUTS 3 levels, below). This data framework provides a robust, informative and multiple distinctions of all aspects of (and directly related to) YU, though not without its limitations. At NUTS 3 level (1363 units) for example, the LFS data cannot be disaggregated due to sample size restrictions and so full data are only likely to be available from sources such as censuses. Data collection at NUTS 3 level is mainly conditioned by the reliability of such data, considering that for small size NUTS 3 regions, “it is difficult to assess the accuracy of labor market data according to scientific standards”16.

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ICON will use its long-term experience in exploring the potential of collecting PES administrative data and other employment related data to anticipate and meet any difficulties in relation to data collection, data harmonisation and missing data. As NUTS 3 data are not available in all countries and regions, the project team will design a collection system capable, in combination with LFS data, to provide the information necessary for showing the characteristics in youth unemployment in different types of territories (e.g. cities, rural areas, islands, etc.) with their specificities.

**Approach to data analysis**

The collected and arranged multiple sets of data representing and closely related to YU will be compared and cross-analysed. Key aspects and distinctive characteristics such as active/inactive youth, NEETs and other groups (both patterns and dynamics) will be studied, taking into account the specific definitions and indicators they use, as well as their underlying methodologies. Furthermore, the territorial patterns and trends in YU will be mapped showing important territorial differentiations. The YU data (15-24 years old) will be disaggregated by such factors as age, gender, educational attainment, work experience, skills/qualifications, and additional factors (e.g. socio-economic groups, disabilities, etc.; to the extent of data availability). The pre- and post-crisis periods of 2000-2016: 2000-2007 and 2008-2016 are tentatively considered, with possible additional split into 2008-2013 and the most recent 2014-2016 time-series (these periods are relevant for the study but use of census data at NUTS3 level will not be usable) – final decision on break-years and time series will be made on the basis of data assessment and earlier major studies on unemployment and economic trends in 2000-2016. The task will conclude with a technical and visual report on data collected for this project, submitted to ESPON in a format of their choosing, to be stored and used in future projects or in follow-up projects as needed.

Data analysis will be conducted to identify the central tendencies and variation (dispersion analysis) of the key variables describing YU and inactivity, followed by factor analysis to extract a limited number of composite indicators, which will eventually undergo cluster analysis.

**3.2.1.1. Overview of data sources**

This section contains a glimpse of the data and the sources that the research team proposes to use for the project, spells the strategies proposed to deal with challengers emerged during this activity and propose the frame for analysis of YU and NEETs.

**Youth statistics**

Youth statistics\(^17\) play an important role in evaluating the progress toward the goals set in the EU Youth Strategy (2010-2018). These statistics cover multiple fields\(^18\), including:

\(^{17}\) Eurostat Youth Statistics overview
Available at: http://ec.europa.eu/eurostat/web/youth/overview (accessed 10 February 2018)
• Demography (indications on the main trends affecting the youth population)
• Education and training (indices about the participation of young people in formal and non-formal education and training).
• Employment and entrepreneurship (data about young people’s integration into the labour market)

For the implementation of the present project, the main data which will be used concerns the labour market (employment statistics), with reference to other, contextual statistics as needed.

Employment statistics-availability and reliability at NUTS level (overview)

The basic data are derived from the LFS surveys (but additional data concerning mainly the “interpretative” variables can also be used). The EU-LFS is designed to give accurate information at national level as well at NUTS 2 level. Microdata including this level are provided by all EU/EFTA countries with a relative good degree of geographical comparability (depending on the years), which allows the production and dissemination of a wide set of comparable indicators. The compilation of NUTS 2 figures is well specified in the EU-LFS.

For the purposes of regional analyses, some data are also provided by Eurostat for the period 2000-2016 for the Metropolitan regions (i.e. “NUTS 3 regions or a combination of NUTS 3 regions”) which represent all agglomerations of at least 250 000 inhabitants. However, as the transmission of data at NUTS 3 level has no legal basis, the figures providing by the EU countries are on a voluntary basis (the objective is to product some regional aggregations; for example, unemployment and employment figures are disseminated by urban-rural typology as well as metropolitan and maritime regions). Concerning the NUTS 3, a majority of Member States/ EFTA countries provide the NUTS 3 code in the LFS micro data and most of them have given their consent to use the micro data to produce the aggregations by regional

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18 Eurostat Youth Statistics database
Available at: http://ec.europa.eu/eurostat/web/youth/data/database (accessed 10 February 2018)

19 The ILO has for example has a significant database with world-wide figures on Youth Unemployment at national NUTS1 level over the period of interest. These data can be used for reference

20 Six EU/EA countries (Estonia, Cyprus, Luxembourg, Malta, Latvia, Lithuania and Iceland) comprise a single NUTS 2 region, i.e. the national result is also the NUTS 2 result (as well as the NUTS 1 result). For two Member States, Cyprus and Luxembourg, the NUTS 3 level does not differ from the NUTS 1 and the NUTS 2 level.

21 For the candidate countries data are not available at NUTS 2 level for the hall period in consideration. Due to this raison our analysis will be limited to EU and EFTA Countries.

22 Eurostat Metropolitan Regions overview
Available at: http://ec.europa.eu/eurostat/web/metropolitan-regions (accessed 10 February 2018)

23 From 2014 onwards, the LFS reliability limits used for annual averages of quarterly data are applied directly on the aggregated labor market data by regional typologies. In past years, the LFS reliability limits used for NUTS 2 data were also applied for the individual NUTS 3 data, which resulted in an unnecessary high number of missing aggregate values. In order to accommodate cases in which countries do not want to transmit any NUTS 3 data, Eurostat offers the possibility to transmit the data already aggregated by regional typologies. For this purpose, Eurostat can provide the appropriate templates to be submitted via eDamis
However, due to non-sampling errors and the combined use of LFS data with the information from other sources (e.g. registers, small area estimates), it is difficult to assess the accuracy of NUTS 3 level labour market data according to scientific standards (even at NUTS 2 level, in accordance with Eurostat, some data at desegregated level present a low reliability, i.e *Flag u*). From this evidence we surmise that at NUTS 3 level, even if in recent years it is possible to capture YU for the majority of EU counties, the available data for the period under consideration do not permit an analysis of patterns and trends of this phenomenon before and after the crises.

Below we present in further detail the overview of data to be used when analysing territorial patterns of YU in Europe. The technical annex to this report contains several data tables to which reference is made for clarity, mostly focusing on labour market-related data at this stage. Economic data will be further explored in a comparative approach when identifying key factors behind the development of youth unemployment, in the section below.

### 3.2.1.2. Availability of data at NUTS2 level

**Youth Unemployment**

Main indicators of youth employment and unemployment are available for the period 1999-2016 with disaggregation by gender. Nevertheless, three important points are to be underlined:

i. For the first years of the period (until 2004), many NUTS 2 units do not have data. In some case, the percentage of missing data –( i.e. not available data) exceeds 50% (see attached table B in excel).

ii. In accordance with Eurostat, even in the most recent years, some regions present a low reliability level. Consequently, even if data for youth unemployment and unemployment are published for the total and the male population, this is often not the case for the female population since the sample is not representative- (see attached table C in excel).

iii. Finally, it is not possible to proceed to an in-depth analysis of YU by education level, mobility or other main characteristics due to the fact that data for such cross analyses are currently not available at NUTS 2 level due to a loss of representativeness- (see Table 2)

**Other labour statistics**

Even if it appears from the Eurostat Regional Database by NUTS classification (see attached table A in excel), that a large set of complementary data are produced with detailed disaggregation (NACE rev.2 etc), there is a real problem of availability for a large number of

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24 See for example an overview of the situation in Quality Report of the European Union Labour Force Survey 2013
NUTS 2 which pose a problem of true representativeness of the analysis that could be carried out for all the regions of the EU.

In conclusion, we propose for the first step of analysis (see Annex) of YU at Nuts 2 level (284 units for EU +15 for EFTA countries) a set of six indicators, including youth NEETs rates (Table 1) and additionally, a set of limited "external variables" and indicators from other labour or non-labour statistics (Table 2) as, for example,: long-term unemployment rates, vacancies rates, average number of usual weekly hours of work, GDP per inhabitant, or growth rate. These external variables will be used to better interpret the causes of YU while the final selection of this second group of indicators has to be decided in collaboration with the team members, depending on the availability and reliability of existing data at the selected break-years.

3.2.1.3. Causes behind the development of youth unemployment – data availability

The objective of the data analysis is to detect the main patterns (typology) and trends of YU and NEETs mainly at NUTS2 level. In order to identify the key patterns during the study period, it is necessary to consider the key components which means basing the analysis on a number of unidimensional variables and consequently to conduct Factor Analysis to not only reduce the number of the initial interpretative variables (indicators) of YU and NEET’s, but also to better identify the relevant composite indicators. Based on these limited new composite indicators, clustering methods will be finally implemented in order to extract the dominant patterns of YU and NEET’s.

For an in-depth interpretation of these patterns, a set of interpretative variables must also be considered. The regional socio-economic characteristics (demographic structure, human resources / educational attainment of population in age to work, economic level and growth, fundamental economic educational attainment of population structure / branch accounts etc.) are likely to affect levels of YU. For each one of the extracted patterns, the analysis of central tendency measures (means, median, etc.) as well as dispersion measures (CV, ratio D9/D1) of the socio-economic variables will contribute to better interpretation of patterns.

Data analysis, organization and processing

The available data about youth employment/unemployment and NEETs concern NUTS2, and some of them the Metropolitan Regions. As Eurostat publish a more or less complete set of labour market statistic for these on an annual basis. (The Eurostat Regional Database), as regards employment and unemployment data, covers mainly the period 1999-2016 with the exception for some variables (such as education attainment) for metropolitan regions where the data are limited to 2009-2016.

25 Not NUTS3 level, however. It’s also necessary to underline the high frequency of missing values for Metropolitan regions (MR) and that because the MR are NUTS 3 regions or a combination of NUTS 3 regions which represent all agglomerations of at least 250,000 inhabitants. Based on that fact are the missing values.
In order to identify the main patterns at different key dates, it is proposed to select three (3) break-years (two time-periods) in order to take into account the crisis’ effects.

The choice of these time periods is as follows:

(a) Conditioned by the availability and reliability of the data. As already mentioned, the systematic presence of missing values, especially at the beginning of the whole period, must be carefully examined in order to select the appropriate initial year corresponding to the pre-crisis period. Concerning the last year, data about employment/unemployment are published to 2016 while some external interpretative variables are at this moment available to 2015.

(b) More specifically, the intermediate period (emergence of the crisis), it is necessary to take into account the existing time lag between the emergence of the crisis (2008) and the emergence of its true impacts on unemployment (taking into account that the effects do not appear systematically at the same time for all countries). The year 2011 could be an appropriate date.

Consequently, data will be examined to select the most relevant time-periods and to define the break-years for which we will implement the following analysis.

The statistical analysis, at Metropolitan Regions, should concern the same break-years as at NUTS2 to ensure consistency. Preliminary to the statistical analysis, two matrices of data will be developed as follows:

- **The first matrix (Matrix I)** corresponds to NUTS 2 level and is divided in two sets of selected variables:
  
  (i) Internal variables (See Annex Table 1: Proposed indicators at Nuts 2 level) that is youth employment/unemployment, NEETS and economic activity variables reflecting the level and the structural aspects of the phenomena. We will extract the key patterns of YU based on these variables and the appropriate indicators.

  (ii) External variables (See Annex Table 2: Other data to be used). These external variables will be considered in the ex-post interpretation/evaluation of the key patterns of YU at NUTS2 level (see below).

26 Nevertheless, it is necessary to mention that is possible to face a serious lack of available and reliable data for the selected break-years.

27 As mentioned in the Annex, although in recent years it is possible to capture youth unemployment at NUTS 3 level for the majority of countries, the available data for the whole period do not allow an analysis of patterns and trends before and after the crisis. A joint (“mixte”) analysis could be attempted. But it is necessary to point out that, even if for some countries (not necessarily the same for the selected 3 years), data are available with the appropriate level of reliability at NUTS 3 level, is neither logical nor recommended to proceed with a regional typology of youth unemployment by mixing two different scales. The main reason is that the intensity of the observed phenomena obviously depends on the selected scale: even smaller is the scale and all the more likely is the emergence of extreme values.
For the proposed analyses, we will construct this matrix for each one of the selected break-years to detect the evolution of the main trends and patterns (see below).

The **second matrix (Matrix II)** corresponds to Metropolitan Regions and is divided in two set of selected variables:

(i) Internal variables *(See Annex Table 3: Proposed indicators for Metropolitan Regions for youth unemployment)*

(ii) External variables *(See Annex 4, Table 4: Other labour and non-labour statistics at Metropolitan regions to be used).*

The proposed statistical analysis (implemented methods) is broken down into the following three phases and will be similar at NUTS2 and Metropolitan Regions, even if the number of initial variables (internal and external) at Metropolitan Regions is less than those at NUTS2 level.

**1st Phase: Exploratory statistical analysis (descriptive)**

This preliminary phase aims to explore at each one of the three break-years the regional distribution of the variables included in the first set of data (internal variables) i.e. central tendencies (mean, median) and dispersion coefficients to further produce relative maps. Additionally (*STEP 2*) we will explore the evolution and behaviour of characteristic cases over time. This analysis will be implemented at the NUTS 2 level and Metropolitan Regions.

**2nd Phase: Extraction of key Youth Unemployment patterns at NUTS 2 /Metropolitan Regions**

Considering that youth employment/unemployment is divided in sub-dimensions and it is measured through a relatively large number of unidimensional variables, the identification of the key regional patterns of YU at each selected break-year will be obtained through the combination of two statistical tools:

(a) Initially the implementation of Factor Analysis will permit the reduction of the initial unidimensional dimensions (indicators) in a limited number of composite indicators (Principal factors) reflecting the principal components of Youth Unemployment. This method also allows evaluation of the relative importance of each extracted composite indicator reflecting YU.

(b) Based on these limited number of new composite indicators, a typology of NUTS2/Metropolitan Regions will be proposed through the implementation of appropriate cluster analysis. The objective of this second statistical tool is to define at each level (NUTS 2, Metropolitan Regions) a relatively limited number of homogeneous groups i.e. differentiation regions in terms of YU patterns where each pattern is defined by level and structural aspects of unemployment.
If the characterization of each one of the patterns depends clearly on the composite indicator scores, the in-depth interpretation and evaluation of these patterns requires an *ex-post* statistical analysis of the above-mentioned external variables. Considering the socio-economic interpretative variables, the analysis will be mainly based on the comparison between patterns of their mean values (including confidence interval). This ex-post statistical analysis (interpretation step) contributes to explain in which extend different levels of socio-economic indicators (reflecting potential regional resilience) are effectively explaining the YU patterns produced through cluster analysis.

As already mentioned, the above statistical analysis will be implemented for *each one of the three break-years* for all EU NUTS 29, providing “static” images for each year and spatial level of the phenomena.

**3rd Phase: Trends of changes in patterns**

Finally, through the comparative analysis of these “static” representations, corresponding to the three selected break-years, it will be possible to:

(a) Detect the evolution / mutations of the YU patterns during the whole period, and finally,

(b) Proceed to a new classification of the NUTS2/Metropolitan Regions, taking into account their eventual change from one pattern-type to another one (decline, persistence or enhancement of YU) from the initial to the intermediate and to the final break-year.

The Statistical analysis graphic, referred to in the sub-chapter above, can be found below in Figure 2.

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29 It is necessary to underline, that the limited number of relevant variables -and indicators-) for Youth Unemployment in the Level of Metropolitan regions will not finally justify the implementation of a Factor Analysis. In this case, it is suggested to directly proceed to cluster analysis based on these limited indicators).
Figure 2: Plan for the statistical analysis

- **Statistical analysis**
  - **Construction of Matrices**
    - **Set 1**: Internal variables (Youth employment/ NEETs)
    - **Set 2**: Socio-economic characteristics

- **Exploratory statistical analysis for Set 1 variables**
  - Steps 1/2
  - Central tendencies / Variation - dispersion analysis

- **Factor Analysis based on Set 1 variables**
  - Extraction of limited composite indicators

- **Cluster Analysis based on extracted composite indicators**
  - Typology of Regions / Key Youth Unemployment Patterns

- **Ex-post analysis of Set 2 variables**
  - Characterization and Interpretation of key-patterns/trends

- **Final classification of Regions based on eventual changes of patterns during the whole period**
  - Regions with declin trend, persistence or enhancement of Youth Unemployment
3.2.1.4. Mapping of the key trends on youth unemployment and active/inactive NEETs from a territorial perspective

To create the appropriate statistical and other thematic maps and to perform the proper spatial analysis it is necessary to use the GIS technology and to create the proper geodatasets.

As a base map, we propose to use the most updated GISCO’s reference data: the NUTS_2013_01M geodataset (Personal GBD in an initial scale of 1:1.000.000). This geodataset, in GCS_ETRS_1989 coordinate reference system, represents the regions for levels 1, 2 and 3 of the Nomenclature of Territorial Units for Statistics (NUTS) for 2013. According to the previous, we will use mainly the 1 and 2 level and the level 3 only for the Metropolitan Regions. The main key issue to use this geodataset is to follow the adopted coding system for spatial entities (NUTS) and that is the SHN: Strictly hierarchical built codes (defined by BKG/EuroGeographics) being European-wide unique identifiers for administrative units. Consequently to all that the data tables will have as first fields (columns) the NUTS CODES, the NUTS LABEL, the NUTS LEVEL and the COUNTRY CODE. An example of this is as follows:

*Figure 3 Geodata table*

<table>
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<th>NUTS_LEVEL</th>
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<td>BED001MC Bruxelles / Brussel</td>
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</tr>
</tbody>
</table>

*Modified part of the NUTS catalogue (Eurostat – RAMON)*
In other words each table must contain, apart from the relevant data, at least the four columns of the Eurostat RAMON table\textsuperscript{30} (see above) and two more for the Metropolitan Regions (if NUTS 3 belongs or not to a MR and the MR name). Each row of the table must refer to one NUTS region. Finally, each table must be accompanied with the proper metadata: detailed description of each column (variable/indicator), the reference date, the source, etc.

The development of thematic mapping will be according to the ESPON’s Mapping Guide (https://www.espon.eu/tools-maps/mapping-guide) to achieve the best possible compatibility to the other existing thematic / statistical maps from ESPON Also, for the same reason we will use the official mapping templates of ESPON’s thematic mapping (ESPON has officially provided the project team with all the necessary data, templates, etc.).

Apart from the possible spatial analysis that the GIS will support, and for the purposes of the data analysis will propose the following sets of thematic/statistical maps to achieve the better possible visualization of the territorial patterns of youth unemployment and active/inactive NEETs in European countries and regions: \textit{Data analysis, organization and processing}

- Set of thematic maps for descriptive statistics (\textit{see above Data analysis, Phase 1/ first step}) of all internal variables/indicators and some of the “external” ones (if this is necessary) for the three break years.

- Set of thematic maps for ratios and trends of the internal variables/indicators showing the evolution and behaviour of characteristic cases over time (\textit{see above Data analysis, Phase 1/ second step})

- Set of thematic maps for visualizing the main results of factor analysis (\textit{see above Data analysis, Phase 2})

- Set of thematic maps for visualizing the main results of cluster analysis (see Statistical Analysis, 1.2, Phase 2) and for the final typology (\textit{see above Data analysis, Phase 3})

The exact number of maps will be the subject of relevant joint discussions by the implementation team of this project, whose experience with stakeholders for unemployment data allows them to anticipate needs and best presentations. Analysis of the data will be done in collaboration with stakeholders and relying on metadata and literature review to ensure that the whole analysis and the interpretation of YU patterns (YU typology) will take into account the territorial specificities of the regions. Finally, the question that requires clarification is: \textit{to what extent are territorial specificities directly affecting youth unemployment?}

\textsuperscript{30} The Eurostat Reference and Management of Nomenclatures metadata server contains general and regional statistics, organising information in large metadata categories (for instance, NUTS, Combined Nomenclature, CODED, etc.) across which classifications may be applied to the metadata, sorting it in columns as referenced visually above.

Available at: http://ec.europa.eu/eurostat/ramon (accessed 10 February 2018)
The geographic coverage of all thematic / statistical maps will be for the EU28 + EFTA countries (in 0, 1 and 2 level and complementary the Metropolitan Regions).

The thematic / statistical maps will be submitted both in vector (geodatasets with attribute tables) and raster format (jpg, pdf) in standardized size according to the guidelines of ESPON (A1, A2, etc.) and that will define the choice of scale and extents of each map. All maps will have the proper metadata description and accompanying by a descriptive catalogue with characteristics of contents from each theme (geodatasets, thematic map).

**3.2.1.5. Key factors behind the development of youth unemployment**

This section of the research work is defined under Task 3 of the project, and builds on the overall research goal by providing robust information on the following themes:

- The key regional characteristics linked to youth unemployment – identification of factors with strong co-incidence or cause-effect relationships with high and low, sporadic and persistent YU;
- The differentiated characteristics of the types of regions obtained by the earlier cluster analysis (typology of regional YU) – identification of specific features of regions experiencing high and low, sporadic and persistent YU;
- The impact high and low, sporadic and persistent YU is likely to have on regions.

Task 3 consists of two parts: the causes of YU (task 3.1) and the impact of YU (task 3.2)^31_. The first and main part consists of explaining the differences found between EU regions about the occurrence and development of YU and NEETs. The second part addresses the impacts YU may have, as presented in Figure 4 below.

*Figure 4 Overview of task 3*

An important aspect of the work to be done focuses on defining a coherent and useful alignment between project tasks, to permit the mounting of evidence and final compilation of

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^31_ Young unemployed as well as NEETs, unemployment rate and ratio as well as the gap with the active population and the young population in general respectively. Exact definitions and indicators are included in subchapter 3.2.1.3.
findings in answer to the key research questions. To this end, and in concert with the research framework, a complex linkage between the work to be done in the data collection and mapping and the work in identifying causes of YU, must be drawn up.

Task 3 builds on the findings on territorial patterns of YU in task 2. The collection and analysis of data under task 2 will provide an overview of the spatial distribution of YU in the EU. It will:

- Show how different types of regions exhibit different patterns of YU at specific points in time and in the development of YU over time.
- Provide an indication of the resilience of regions against YU, by recording the impact of the 2007/2008 crisis on regions, as well as their speed of recovery afterwards.

These overviews will be available at various spatial levels. This work will also show how results differ depending on the regional classification applied, as well as how regional resilience to YU compares with the indicators for the existence and development of young unemployed and NEETs.

**Causes of youth unemployment - Objectives and research questions**

The objective of this part of the work (task 3.1 in the ToR) is to examine how the regional patterns observed in data collection and mapping can be explained. The research effort will provide answers to the following questions:

1. What are the key determinants of YU and NEETs according to the literature?
2. What is the relationship between regional economic resilience and a region’s resilience to youth unemployment?
   a. How can regional economic resilience be clearly distinguished from resilience to YU (definitions and indicators to be used)?
   b. Does stronger economic resilience of regions go hand-in-hand with higher resilience against YU?
   c. If not, what other factors explain the deviations from this correlation?
3. What other factors explain different regional patterns for YU and NEETs?
   a. Characteristics of the regional labour market?
   b. Elements of the legislative framework?
   c. Elements of the cultural and regional specific context?
   d. Characteristics of policy and its implementation?
4. The relative importance of different causes for different types of regions?

The ToR list several factors that are to be included as possible causes in this part of the study. All of these will be included, but based on the initial literature scan, some factors have been added and the various factors have been regrouped.

An important insight gained from the analysis concerns the specific role of regional resilience. The interlinkages between economic resilience on the one hand resilience to YU on the other are complex. For this reason, the relationship between these two will be examined before looking at other factors.
Regional economic resilience has been defined earlier in this report as the ability of a regional economy to withstand and recover from the effects of exogenous shocks (vulnerability or exposure to exogenous shocks coming from economic openness). In general, resilient regional (and local) economies are expected to have strong labour markets and could therefore be expected to be more resilient against YU. This assumption will be reviewed and tested where possible in the study.

Key determinants commonly identified for economic resilience (regional resilience capacity – RR) are:

- Macroeconomic stability;
- Microeconomic market efficiency;
- Good governance;
- Social development.

To a variable extent, these factors will also impact on YU. Our analysis will take this into account as follows:

- In the quantitative analysis unemployment will not be used as an indicator for economic resilience (as is sometimes done) or, alternatively, the unemployment levels at, for example, the onset of the crisis will be used as an indicator for economic resilience, whereas the changes during crisis and recovery periods will be used as indicators for resilience to YU. 
- The qualitative analysis will systematically make explicit and distinguish between the definitions and indicators for the two concepts.

The other determining factors encountered so far in the literature have been clustered into four groups.

A number of factors relate to the legislative framework that governs employment relations. Firstly, this includes those regulations that determine labour market rigidity or flexibility, employment and social legislation that has a bearing on (un)employment, and mobility. From a more quantitative perspective, indicators here could relate to, for example, wage flexibility, flexibility in hiring and firing, wage and employment rigidities, as well as benefit replacement ratio and age restrictions for benefit claiming. Regional data on labour mobility (i.e. employment, occupational and job mobility) are easier to find as these are part of the LFS. Data on geographical mobility seem confined to the national level and some cross-border data. The education system is the second key legislative area. It includes VET systems, apprenticeship systems and opportunities for work experience for young people. The

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32 AWM Strategy Team: Community Economic Resilience Index, 2008
Available at: https://www.researchgate.net/publication/46527233_Economic_Vulnerability_and_Resilience_Concepts_and_Measurements (accessed 10 February 2018)
legislative framework is expected to be to a large extent nationally determined, except for federal countries.

Another group of key factors relates to the regional labour market. This concerns the characteristics of labour demand and supply in the regions and in particular the match or mismatch between these two. Special attention will be paid to the sector structure, as the presence of specific sectors may entail specific opportunities or barriers for youth to enter the labour market. Certain sectors appear to be “youth-friendly”, such as tourism, ICT, social services, or environmental management. The sector structure is also expected to influence the options for work experience and work-based learning for young people. The cultural and historical context has been kept as a separate factor in our analysis. It will also enable us to include regionally specific factors that have not been captured under any of the other headings.

The final grouping concerns regional public policy and its implementation. It incorporates (un)employment related policy initiatives specifically aimed at young people as well as more general measures with a distinctive impact on youth, if relevant in a specific region. National and regional Active labour Market Policies (ALMPs) as well initiatives supported by EU funding, will feature heavily in the analysis. This category also includes governance issues. Obvious examples of relevant governing bodies in the framework of YU include the Public Employment Services (PES), private employment services, and the management of EU funds. Cooperation between employer and sector organisations with trade unions, education institutions and public institutions may also be a factor of importance for dealing with YU.

The following Figure 5 summarises the analysis to be carried out regarding the causes of YU and NEETs.

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For the first part of task 3 (described above) the research approach will rely on some quantitative analysis and various qualitative data collection and analysis methods. Table 2 summarises the proposed approach and what it is expected to yield.

**Table 2: Research questions, data sources/data collection methods and envisaged outputs for task 3.1**

<table>
<thead>
<tr>
<th>Research question</th>
<th>Sources/methods</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Key determinants of youth unemployment and NEETs</td>
<td>Review of international literature on the causes of youth unemployment and NEETs.</td>
<td>Overview and classification of causes of youth unemployment/NEETs and their relative importance</td>
</tr>
<tr>
<td>2. The relationship between regional economic resilience and resilience to youth unemployment</td>
<td>Literature review of regional economic resilience, regional resilience to youth unemployment and their relationship. Quantitative analysis.</td>
<td>A discussion of how to distinguish economic resilience and resilience to youth unemployment (definitions, indicators, application). Findings on the degree of correlation between the two and possible explanations for diverging trends in them.</td>
</tr>
<tr>
<td>3. What other factors explain different regional patterns for youth unemployment and NEETs?</td>
<td>Quantitative analysis. Literature review on the causes of youth unemployment and NEETs in relation to different regional contexts. Secondary analysis of the findings of the case studies carried out under task 4.</td>
<td>An overview of factors that correlate with various levels of unemployment for different types of regions. A discussion of their relative importance, their mutual interdependencies, as well as the causal nature of the relationships</td>
</tr>
</tbody>
</table>
Table 3 provides more detailed information for each of the methods to be used as well as on the analysis of their findings.

**Table 3: Methods and analysis to be carried out for task 3.1**

<table>
<thead>
<tr>
<th>Method</th>
<th>Details</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of international literature on the causes of youth unemployment and NEETs (in general)</td>
<td>The review will include EU level and international publications, and selected relevant international scientific journals that can be accessed online.</td>
<td>The list of causes already mentioned above will be completed and the classification adjusted if necessary. We will keep track of each cause when reviewing the evidence, taking account of the number of times it is mentioned, and the quality of evidence behind the claims.</td>
</tr>
<tr>
<td>Literature review of the importance of specific regional contexts regarding:  • Economic resilience, resilience to youth unemployment and their relationship.  • The causes of youth unemployment and NEETs</td>
<td>The review will include EU level and international sources and publications. The review will also consider national research, provided that publications or summaries are available in English, which should in principle be the case for scientific publications. For the regions selected for the case studies, additional studies will be collected in the other EU languages in the framework of task 4.</td>
<td>The findings will be grouped classified according to their relevance for the three sub-questions. The review will take into consideration the number of times a finding is mentioned, the consistency of findings and the quality of the evidence behind them.</td>
</tr>
<tr>
<td>Quantitative analysis of data:  • On youth unemployment and regional resilience.  • On causes of youth unemployment and NEETs</td>
<td>The quantitative analysis will build on the data collected under task 2. Based on the findings of task 2: They will be supplemented with data on characteristics that explain the regional patterns found under task 2, including economic resilience.</td>
<td>Two to four indicators will be chosen to act as core dependent variables for the quantitative analysis to be carried out under task 3. They will combine the key variables described in the conceptual framework for task 2. As dependent variables they will be the indicators for the regional patterns of youth unemployment and NEETs to be explained under task 3. One or two of the regional classifications will be chosen as the level at which these quantitative analyses will be carried out. The relationships to be tested will be analysed using multivariate analysis, such as regression analysis, path analysis, etc.</td>
</tr>
<tr>
<td>Secondary analysis of the findings of the case studies carried out under task 4.</td>
<td>The case studies are expected to answer a selection of the questions to be answered under task 3.</td>
<td>The case studies will be screened for arguments that will better explain and illustrate causal relationships identified in task 3.</td>
</tr>
</tbody>
</table>
Assessing the impact of youth unemployment and NEETs - Objectives and research questions

The objective of task 3b (see above) is to identify and summarise the available knowledge on the impacts of YU. The specific research questions underlying this part of the work were broken down as follows:

1. What general and specific consequences of YU are identified in the literature?
2. What empirical evidence on European countries and in different types of territories is available at EU level and what can be learned from this regarding territorial specific consequences of YU?
3. What are the most important impacts of YU, at individual and society level in the short and in the longer term?

The consequences of YU are often long-term and have an impact on regional labour markets.

The initial literature scan shows that impacts of prolonged unemployment at a young age concern both the individuals and the society or the region in which they live. For both levels the possible impacts encountered in the literature have been combined into four groups of impacts.

➢ Young people who experience a period of unemployment at the start of their career may encounter a more difficult labour market position in their future. They may be more likely to experience further unemployment spells and the quality of their jobs may be lower in terms of wages and contract duration.

➢ Non-employment has negative consequences for both the jobseeker and the employer, with the former failing to acquire the work experience and skills needed by the latter.

➢ Educational institutions may also react to high rates of YU by encouraging young people into educational choices that may not offer the best employment prospects, leading to future mismatches on the labour market. Several studies also report the more frequent occurrence health problems for young people in unemployment.

➢ For societies, the waste of young people’s potential firstly concerns their contribution to the regional economy. It will also increase the public financial burden, although it remains to be seen to what extent this is felt at regional level. Regions will definitely be confronted with social inclusion/exclusion problems, possibly also resulting in rising criminal activities.

Economic sectors will be analysed on a regional level as part of the social impact on YU, particularly the economic growth and productivity of a region in comparison to its resilience to YU, pre- and post-crisis. This aspect cannot be viewed as separate from labour market and education data which will be analysed during the research. As such, context data is
interlinked to a point where cause and effect become difficult to distinguish from each other. Different economic sectors arise in different regions due to such factors as the regional geography, traditions, resources and public finances, among many other factors represented in Figure 6 below. The impact that different economic sectors have on regional resilience to YU is difficult to identify through quantitative analysis of existing data, as the amount of data would risk overwhelming potential results. Rather, most of the analysis of economic sector influence will be qualitative, as part of the analysis of alternative employment, sharing economy and its attractiveness to youth, and of course as part of the ten case studies to be conducted under this research project, which are further discussed below.

*Figure 6: Conceptual framework for impacts of youth unemployment*

For the second part of task 3 as detailed above, the research work will rely on qualitative data methods. Table 4 summarises the approach proposed for this work.

*Table 4: Research questions, data sources/data collection methods and envisaged outputs for task 3.2*

<table>
<thead>
<tr>
<th>Research question</th>
<th>Sources/methods</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What general and specific consequences of youth unemployment are identified in the literature?</td>
<td>Literature review on the impacts of youth unemployment and NEETs. Secondary analysis of the findings of the case studies carried out under task 4.</td>
<td>Overview and classification of impacts of youth unemployment /NEETs. A discussion of their relative importance, their mutual interdependencies. A comparison of the importance of different impacts and the processes involved, for different types of regions.</td>
</tr>
<tr>
<td>2. What empirical evidence on European countries and in different types of territories is available at EU level and what can be learned from this regarding territorial specific consequences of youth unemployment?</td>
<td></td>
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</tr>
<tr>
<td>3. What are the most important impacts of youth unemployment, at individual and society level, in the short and in the longer term?</td>
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</table>
Table 5 provides more detailed information of each of the methods to be used as well as on the analysis of their findings.

**Table 5: Methods and types of analysis to be carried out for task 3.2**

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<th>Analysis</th>
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</thead>
<tbody>
<tr>
<td>Literature review on the impacts of youth unemployment and NEETs.</td>
<td>The review will include EU level and international publications, and selected relevant international scientific journals that can be accessed online.</td>
<td>We will keep track of each cause when reviewing the evidence, taking account of the number of times it is mentioned, and the quality of evidence behind the claims.</td>
</tr>
<tr>
<td>Literature review on the impacts of youth unemployment and NEETs.</td>
<td>The review will include EU level and international sources and publications. The review will also consider national research, provided that publications or summaries are available in English, which should in principle be the case for scientific publications. For the regions selected for the case studies, additional studies will be collected in the other EU languages in the framework of task 4.</td>
<td>The list of impacts already identified so far will be completed and the classification adjusted if necessary. The review will take into consideration the number of times a finding is mentioned, the consistency of findings and the quality of the evidence behind them.</td>
</tr>
<tr>
<td>Secondary analysis of the findings of the case studies carried out under task 4.</td>
<td>The case studies are expected to answer a selection of the questions to be answered under task 3. Align with Ken</td>
<td>The case studies will be screened for arguments that will better explain and illustrate impacts and the way they come about in specific regional contexts.</td>
</tr>
</tbody>
</table>

**3.2.2. Qualitative research methods: local experts and case studies**

The qualitative analysis will be conducted employing the team of experts to study more nuanced aspects of regional youth unemployment, using quantitative data available and collected (as described in subchapter 3.2.2.), related research literature, and expert’s judgement. It can be expected that on the basis of the qualitative analysis, the results of cluster analysis can be further refined.

Qualitative evidence and analysis will help mapping the regional clusters/types of youth unemployment across Europe by looking into the specific developments and composite elements of youth unemployment.

**3.2.2.1. Approach to the case studies**

The ten case studies of good practice in tackling YU at a local level (Task 4) form an important part of the research activity and will inform the development of recommendations on future policy options. During the inception phase, the possibility of identifying case studies from existing sources has been investigated to enable a shortlist of 15-20 cases to be presented as possible ones to take forward. However, as explained below, the sources do not provide sufficient information in the level of detail required to draw up such a list and so an alternative strategy is set out in this Inception report.
The aim of the revised approach is to help ensure that maximum value is derived from the ten case studies as they are a crucial part of the more detailed qualitative information essential to complement the quantitative information. It should be stressed that the delay in proffering a shortlist of possible case studies will not compromise the overall timing or integrity of the study.

**Initial research**

During the inception phase the following potential sources of information on case studies were accessed:

**Youth Guarantee** – YG has been at the forefront of EU policy on combating YU and inactivity since 2013\(^{35}\) and, along with the YEI funding mechanism, has the potential to show interesting case studies.

As the experience base from implementing the YG accumulates, there have been various studies and reports on good practice. However, they tend to be highly focused on one aspect of youth\(^{36}\) and so have limited potential for identifying a more rounded case study. This is evidenced by the Youth Guarantee – Promising Practices\(^{37}\) which currently lists 15 examples of good practice in various countries covering such issues as: traineeships; apprenticeships; and partnerships. However, these are at national level and while the various contacts given could potentially be pursued to try and identify cases of local implementation, this would be a time-consuming task without any guarantee of success.

These reservations also apply to the various evaluations of ESF projects (within the requirements of monitoring and evaluation of European Cohesion policy) where a requirement for evaluation is usually built-in. However, the sources are scattered and when isolated, quite diverse and not necessarily indicative of good practice. In short, the amount of work required to assess these evaluations would be disproportionate to the value derived from them for the purpose of identifying potential case studies.

**Interreg Europe** – the stated aim of Interreg is to help regional and local governments develop and deliver better policy through sharing information and solutions and is financed through the ERDF\(^{38}\). However, it tends to focus on the following topics: research and innovation; SME competitiveness; low carbon economy; and environmental and resource efficiency. Of these, its work in the field of SME development (including social enterprises) could potentially offer

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\(^{35}\) The Youth Guarantee has not been directly adopted in all EU/EEA countries (such as Norway or the United Kingdom) though these countries have their own policies to tackle youth unemployment mostly with a similar approach in terms of the mechanisms used.


\(^{38}\) Interreg Europe Available at: https://www.interregion-europe.eu/about-us/ (accessed 10 February 2018).
some useful examples where young people have been engaged (for example to set up on their own account), though the readily available information did show any potential for identifying local case studies.

**European Committee of the Regions (CoR)** – this is the EU committee for territorial cohesion policy and EU budget aimed at giving a voice to sub-national authorities within the EU’s institutional framework. While the interests of the CoR are extensive, its major concerns include employment, vocational training, economic and social cohesion, social policy and education, all potentially of relevance to youth unemployment and inactivity. However, while the CoR aims to provide ‘platforms, networks and forums to facilitate cooperation and sharing experience’\(^{39}\), it has not been possible to identify any readily accessible information that would help identify potentially useful case studies.

**URBACT** – this initiative has the stated aim to ‘help cities to develop pragmatic solutions that are new and sustainable and that integrate economic, social and environmental urban topics’\(^{40}\). The coverage is therefore wide but in the current (URBACT III 2014-2020) and previous (URBACT II) programme cycles, there have been initiative focused on youth employment in Europe which offer some potential for identifying cases studies. For example, under URBACT II several cases studies of good practice in tackling YU were documented in some detail\(^{41}\), as would be expected since these are designed to allow the exchange of ideas and techniques of implementation in different contexts.

The limiting factor in the potential of the URBACT programme in providing possible case studies in that they are limited to urban areas, though these can vary in size and definition in terms of the regional classification that is proposed for the case study selection (see below).

This is illustrated by the relatively new initiative ‘JobTown 2’ on youth employment in Europe. This is a mutual support network of local authorities across Europe committed to implanting local strategies for supporting youth employment and opportunity. The range of towns involved is quite diverse and includes: Thurrock (United Kingdom); Alba Iulia (Romania); Bologna (Italy); Kielce (Poland); Leoben (Austria); Ljubljana (Slovenia); and Nagykálió (Hungary). The focus on youth is clearly very relevant, though the project is at a relatively early stage of development and so may not be able to offer clear signs of good practice at this stage.

**OECD Local Economic and Employment Development (LEED)** – the LEED programme at the OECD is a long-standing (since 1982) initiative to ‘offer best practice on how to create more and better-quality jobs through effective policy implementation and local initiatives’\(^{42}\). The remit of the programme is wider than youth, though LEED has been responsible for some


\(^{40}\) Available at: http://urbact.eu/ (accessed 10 February 2018).

\(^{41}\) A good example is that for the Leeds City Region (United Kingdom) which is recognised as a successful collaborative initiative (led by the Local Enterprise Partnership). Further information on this case study is available at: http://urbact.eu/ (accessed 10 February 2018).

\(^{42}\) Available at: http://www.oecd.org/employment/leed/ (accessed 10 February 2018).
studies focused on initiatives for young people at a local level. For example, the 2014 report on programmes similar to the YG (but preceding the EU initiative) looked at example in a selection of remote areas and in large conurbations. The problem with this study and some others like it is that the examples are dated, plus they are not necessarily examples of good practice in tackling YU.

In summary, none of the above sources of information were deemed ideal for the identification of potential cases studies for the reasons outlined for each. The possible exception is URBACT where youth employment projects have identified good practice, but these are limited to cities (albeit of varying types) and so do not encompass the regional spread needed. Nevertheless, they will be retained as a possible supplementary source to the approach now set out below.

Identification of case studies

With just ten case studies, it is important that their selection is not based on any notion of representation (clearly impossible with so few cases among the 1000+ NUTS3 regions), but on their innovation and success in tackling youth unemployment and inactivity. One approach is to include an example from each of the main classifications of type of region and in particular the following types of region used by ESPON:

- Urban-rural;
- Metropolitan;
- Border;
- Island;
- Sparsely populated;
- Outermost;
- Mountainous;
- Coastal;
- Industrial transition.

While this classification is broadly in line with other regional typologies (such as Eurostat and NUTS 3 regions), the omission is a capital city. Consideration of how dominant cities such as Athens, Copenhagen, London, or Paris, for example, experience and tackle youth unemployment is essential and while this could be accommodated in the ESPON metropolitan category, it would also be useful to consider a conurbation outside the capital.

Following discussions with ESPON, our original suggestion that the ten case studies should reflect the main classifications of type of region used by ESPON will be replaced with a selection that should permit more comparisons to be made between the case studies. As such, it is proposed that they will reflect more the metropolitan/urban areas that are high on the policy agenda. Furthermore, by focusing on a fewer number of territories it will be possible to have a more comparative approach. This will mean that some of the types of region will not be covered and it is likely that there will be two case studies in some countries. It is therefore proposed that the following five types if region provide the focus for the case study selection:

- Urban-rural;
- Metropolitan (not including capital);
- Capital city;
- Industrial transition;
- Border.

The aim will be to include two cases in each of the five categories, though with some degree of flexibility according to what the identification process reveals.

The proposed approach to identifying suitable cases would involve approaching, by email, contacts in each of the countries covered to ask for their suggestions based on a simple set of criteria. The main contact would be:

- Youth Guarantee (or equivalent) Managing Authorities - in most EU Member States the Public Employment Service (PES) are the responsible agency for administration of the YG, or are a key partner in the process and thus form a natural focus for identifying good practice. The initial contact would be at national level (ICON, through its work on PES Benchmarking, has known contacts in each PES) to identify potential cases which can then be pursued through regional managing agencies;

- Employment and labour market experts – in particular the European Centre for Expertise in Labour Law and Employment and Labour Market Policy contains specialists in relevant fields and many have conducted relevant youth employment research and developed policy. Additional experts can be identified from sources available to ICON.

A shortlist of 15-20 possible case studies would be compiled from information from the responses to these inquiries.
Conduct of the case studies

*Figure 7 Case Study Implementation Plan*

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<tr>
<th>No</th>
<th>Activity</th>
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<tbody>
<tr>
<td>1</td>
<td>Identify longlist of possible case studies through expert country contacts, Eurocities, etc.</td>
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<td>2</td>
<td>Make initial contact with case studies to confirm suitability and willingness to cooperate and form shortlist</td>
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<td>3</td>
<td>Identify and engage local experts who will be responsible for gathering information, conducting discussions, etc. under guidance from ICON</td>
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<td>4</td>
<td>Fully brief local experts on the conduct of case studies including use of discussion guides, contextual data requirements, etc.</td>
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<td>5</td>
<td>Local experts carry out discussions (interviews/focus groups, etc. as appropriate) and gather contextual data</td>
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<td>6</td>
<td>Local experts provide summary information (including data and interview notes) according a prescribed format provided by ICON.</td>
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<td>7</td>
<td>ICON assesses case study reports and holds debriefing session (via Skype) with local experts.</td>
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<td>8</td>
<td>ICON writes up cases study reports to the agreed format and sends them to local experts for clarification (if needed) and validation</td>
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<td>9</td>
<td>ICON receives clarified (if required) and validated case study reports from local experts and complies overall review for inclusion in main project report</td>
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<td>10</td>
<td>ICON provides update on progress with case studies for Interim Report</td>
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The case study implementation is illustrated in Figure 2 with ten interrelated stages with notional timing (from March to October 2018) as described below:

1. *Identify longlist of possible case studies through expert country contacts, etc.*- this will involve several approaches including expert contacts, further literature search focused on those regions displaying successful economies and labour markers, and contacting the EUROCITIES network;

2. *Make initial contact with case studies to confirm suitability and willingness to cooperate and form shortlist* – key contacts for each shortlisted case study will be contacted by ICON (initially by email) with a basic set of parameters that will help determine the suitability of the case study (i.e. it meets the criteria for inclusion). If suitable, the willingness of the key players to participate will be established before proceeding further;

3. *Identify and engage local experts who will be responsible for gathering information, conducting discussions, etc. under guidance from ICON* – local experts, specifically employment specialists from the region in question, will provide the essential focus for gathering information on the selected cases studies and will be sourced from existing ICON expert databases, supplemented by other networks (such as the
European Centre for Expertise on Labour Law, Employment and Labour Market Policy);

4. **Fully brief local experts on the conduct of case studies including use of discussion guides, contextual data requirements, etc.** – each local expert will be given an information pack on what is required in terms of contextual data, discussions and the optimum ways of conducting them (e.g. individual, focus group, etc.). Discussion guides will be provided as appropriate, all helping ensure a consistent approach.

5. **Local experts carry out discussions (interviews/focus groups, etc. as appropriate) and gather contextual data** – during conduct of the case studies, local experts will be required to provide regular updates on progress to ICON and there will be ongoing support from ICON as needed;

6. **Local experts provide summary information (including data and interview notes) according a prescribed format provided by ICON** – the local experts will provide the results of their case study work in a consistent format according to the parameters set by ICON;

7. **ICON assesses case study reports and holds debriefing session (via Skype) with local experts** – based on the case study submissions, ICON will hold a debriefing session each local expert to clarify any points, identify gaps and agree proposals on how they might be filled.

8. **ICON writes up cases study reports to the agreed format and sends them to local experts for clarification (if needed) and validation** – the format of the case studies will have already been agreed (with ESPON) and this will be used to write up the case studies in a consistent format that allows them to be standalone documents, as well as a basis for cross-comparison. They will then be sent to the local experts for a final check and validation (which may involve local experts contacting some of their key informants to help with the process;

9. **ICON receives clarified (if required) and validated case study reports from local experts and complies overall review for inclusion in main project report** – the validated case studies are used to write a contribution to the main project report, including making comparisons, looking for those context factors helping determine success and how this might affect transferability, ultimately leading to policy recommendations;

10. **ICON provides update on progress with case studies for Interim Report** – there should be substantial progress to report for the interim project report, including the initial results from some case studies that will be underway by then. This should help

**Production of case study fiches**

Each case study will be written up in as consistent a style as possible (some variation may be inevitable where information sources vary). The precise format of the case study fiche will be
agreed with ESPON after the first two pilot case studies, where there will be an opportunity to change the layout and level of detail therein. At this stage, it is envisaged that each case study fiche will run to around five pages with a layout approximating the following headings:

- Introduction;
- Development and context of youth unemployment and inactivity;
- Policy approach to tackling the youth unemployment and inactivity;
- Effectiveness and impact of policy
- Lessons learned and transferability;
- Conclusions.

The fiches will contain a mix of quantitative and qualitative information with the emphasis on what has worked in tackling youth unemployment and inactivity, how it has worked in context, and how transferable the approach might be.
3.3. Expected outcomes

Responding to the main research question posed by the project will enable the research team to build up a strong evidence base for the policy recommendations expected to be drafted as part of this applied research.

Data analysis and identification of key patterns and trends in regional YU will result in the design of historical maps of regional YU patterns, visualising the differences between NUTS3 (or NUTS2 when more detailed data is not available) regions and the evolution of individual regions across the research period. In addition, the clustering of regions by typology of youth unemployment is planned as an outcome of the work under Tasks 1 and 2 of this research project, as detailed in Chapter 3 of this report. The identification of typologies of resilience to youth unemployment at regional level will then serve as a useful tool in the issuing of constructive regional recommendations.

The identification of the key factors behind the development of youth unemployment, defined as Task 3 of the overall applied research, will be a potentially valuable outcome of itself, providing a knowledge base for policymakers and furthering the understanding of YU as a phenomenon. Having access to a systematic overview of causes and consequences of YU from different territorial perspectives would be of benefit to both regional and national authorities, and would provide EU-level policymakers with a specific insight into regional needs as a tool for developing inclusive and efficient policy approaches.

It is to be expected that the ten case studies planned as part of the work will provide relevant reference points to support the overall research findings, stand on their own as short reports on interesting cases and include YU policy lessons from different types of regions. Good practices identified in the case studies will be classified through the regional typology matrix devised as part of the effort of mapping youth unemployment, to present them as transferable to similar regions.

Finally, the main expected outcome of the project is the provision of useful, effective policy recommendations on strengthening resilience towards YU at EU, national and regional levels.
4 Towards a proposal for policy recommendations

The recommendations for potential support by the EU Cohesion Policy will be tackled once the analyses in place and all data is available and reviewed for accuracy. This chapter of the inception report is dedicated to a review of the work we anticipate is required under task 5 of this project, having analysed available documentation and established an overall research framework which permits us to project potential outcomes.

Policy lessons and recommendations on the topic of YU will be formulated on the basis of in-depth understanding of the matter in European regions, based on the analysis of quantitative and qualitative data from the project. The recommendations will be informed by case studies in the selected different typology regions where policies and programmes related to yU will be analysed to identify good practice and the context in which they work.

The research described in Chapter 3 of this report will form the evidence base for the recommendations, and the following different elements available will be used to construct evidence-based recommendations:

- Conceptual inputs from the literature (mostly supported by empirical evidence provided for instance by academic investigations or consultancy expertise).
- Statistical observations and multivariate analyses along key dimensions related to YU and (regional) framework conditions.
- Qualitative information extracted from interviews and case studies.

The recommendations will be envisaged at three application levels as follows:

4.1 EU-level recommendations

Though this applied research focuses firstly on the regional aspects and determinants of YU, some policy recommendations aimed at influencing European regions are optimally delivered at the EU-level. This allows for a wide coverage of policies and for a unified understanding of YU as a common issue and, more importantly, it permits regional authorities to gain an overview of the situation across Europe and identify good practices in other regions, which may have relevance for their case.

There are several research questions which aim to provide responses useful for EU-level recommendations, including those applying to existing policies ap towards YU. These are revisited below:

- What good practices in terms of implementing solutions to tackle YU in European regions can be identified, including on promoting youth employment, education/training and implementing the YG and the YEI, as well as the EURES initiative?
- What are the key success factors and how are the challenges for implementing the YG and the YEI being addressed?
• Which good practices could be transferred to other regions and if so, how?
• How can Cohesion Policy be further mobilised to support long-term structural reforms to promote youth employment and enhance the implementation of the YG, the YEI and the EURES initiative to strengthen the resilience in European regions against YU?

4.2 Member States-level recommendations

The EU-wide recommendations can be applied to Member State level through an analysis of national key determinants of YU (as identified by the project mapping of the key trends and patterns on YU), as well as of the national policies which were developed in response to them. National policies on YU are often designed in response to EU-level recommendations, while building on the MS’s own unemployment and approach to social policy and responding to the overall number of unemployed youth in that particular Member State.

Issuing specific recommendations at national level will therefore take into account the YU rates and overall unemployment rates of a Member State, broken down into NEETs, LTUs and other segments as relevant and based on available data, as well as a Member State#s policy responses and social security regulations45 both for unemployment and for other factors such as healthcare and disability, economic and financial data specifying resource availability, and all other context factors applicable at national level.

EU-wide policy recommendations will be qualified at national level to identify their applicability for particular Member States and, in a best-case data availability scenario, a scale of relevance of EU-level recommendations for particular national systems will be developed as part of the final research paper to facilitate an overview for the relevant policymakers.

4.3 Regional level recommendations

One of the main aims in the overall drafting of recommendations is to be to identify specific situations from which lessons can be learned. This means detecting situations where policies and instruments were revealed to be particularly efficient under certain conditions as well as policies and instruments that emerged as less or not efficient under certain conditions. This level of recommendation is applicable for the regional analysis of YU and takes into account context factors more detailed than can be analysed at national level.

To present comparable and more importantly transferable recommendations, some regions from the overall set of European NUTS3 regions will be classified as ‘example regions’ and considered as being strongly representative for samples depicting different groups of regions in terms of YU dynamics, overall economic evolution and framework conditions. This step

45 Mutual Information System on Social Protection (1990)
Available at: at www.missoc.org (accessed 10 February 2018).
should in particular facilitate exercises such as focus groups, brainstorm sessions, policy Delphi, etc., to infer and test conclusions and recommendations.

The identification and understanding of factors which influence differences in the developments in YU (and overall unemployment) by comparing and contrasting different regions will have potential benefit in fully understanding the context which shapes YU. Recommendations could potentially be issued for the further strengthening of regional resilience to unemployment, and YU in particular. In a best-case scenario, this part of the research may present a generic toolkit for anticipating YU and preventing or decreasing its impacts, which can be then further refined by the planned case studies and used as the basis of policy analysis.

Such a practice would ideally allow us to propose useful and feasible recommendations aimed at categories of regions defined in the research report, which would reach policymakers as a targeted approach to EU Cohesion Policy support with already-identified types of regions which could be tracked on the project maps.

At a conceptual level, the “philosophy” of the approach leading to policy recommendations can be understood as a “triangulation” of different perspectives:

- Addressing conceptual issues that are so far not sufficiently taken into account by existing instruments (i.e. detecting blind spots).
- Investigating possible domains of policy experimentations, especially for issues that appear unable to be addressed by the current mechanisms of existing instruments.
- Identifying atypical situations that reveal the limitations of instruments that may appear as efficient elsewhere.
- Expanding the range of promising practices in identifying which further issues could be addressed that were not so far identified as “problems potentially corresponding to already existing solutions”.
- Transferring good practices from the most resilient regions to the most vulnerable ones.

It is important to specify that this final stage is not designed as a form of on-going or ex-post evaluation of current EU Cohesion Policy instruments (such as for instance the YG) but that the recommendations should constitute an evidence-based vehicle for “fine-tuning” existing practices in order to better contextualize them and ultimately foster a regional basis of these instruments. Consequently, the ability of promoting youth employment should be reinforced, which ultimately will contribute to strengthening the resilience of European regions against YU.

Even if the nature and content of these policy recommendations cannot be depicted precisely at this stage, it is reasonable to expect that they will address new funding mechanisms, adaptation of funding conditions and revised policy approaches.
5 Next steps

The implementation of the applied research is proceeding largely as planned, with data extraction requests being carefully designed to ensure that all of the data necessary to cover regional-level youth unemployment data, trends and factors of influence as well as all of its potential context factors. Once this data is available to the research team, it will be analysed according to the econometric methods described in Chapter 3 of this report.

Desk research is being conducted continuously, as the qualitative data required for the undertaking of this study is complex and often available in national languages, thus needing time-consuming study for its identification and classification.

The next steps in responding to the key research questions raised by this work are detailed in the report itself, as this inception report aims mainly to lay out the work to be done as part of the study. Approaching the following interim report in mid-July 2018, the research team aims to provide those deliverables set out by the ToR of the project, namely:

- A detailed overview of data collected as part of the project so far, and of actions carried out to overcome data shortcomings as described in Chapter 3.1 of this report,
- An initial mapping of youth unemployment and active/inactive NEETs in European regions at the most detailed level possible given data availability,
- Some identified key factors behind the development of youth unemployment,
- An outline of identified general and specific consequences of youth unemployment
- An overview of the state of affairs on the ten case-studies, and any conclusions drawn from the studies conducted so far,
- The state of affairs on potential policy proposals by Cohesion Policy, based on the above findings and further desk research.

The Figure 8 below summarises the activities to be implemented as part of the applied research project, aiming to provide comprehensive answers to all research questions raised.
### Figure 8: Project planning

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<th>Basic project activities</th>
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<td>Task 1 Research framework and data collection</td>
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<td>Data analysis and interpretation, merge with research results</td>
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<td>Task 2 Mapping and analysis of youth unemployment and NEETs</td>
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<td>Collected data is used for mapping territorial patterns</td>
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<td>Comparative analysis of regional data</td>
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<td>Indicators compared and contrasted by region</td>
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<td>Task 3 Identification and analysis of key factors behind the youth unemployment trends</td>
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<td>Identification of factors which lead to youth unemployment and consequences of it, by region</td>
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<td>Thorough analysis of current status and drafting of policy recommendations</td>
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<td>Task 4 Case studies of good practices in combating youth unemployment</td>
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<td>Recruitment of non-key regional experts</td>
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<td>Site visits to access information and perform interviews (in a maximum of five regions)</td>
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<td>Drafting of case studies with all relevant evidence, including identification of good practices</td>
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<td>Task 5: Proposals for potential support by EU Cohesion Policy</td>
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<tr>
<td>Analysis of the Cohesion Policy and its scope, intentions, potential</td>
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<td>Analysis of the research results for Tasks 2, 3 and 4</td>
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<td>Recommendations on the Cohesion Policy’s mobilisation for supporting territorial resilience to youth unemployment</td>
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### MEETINGS AND DELIVERIES

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<tr>
<td>Interim, Draft Final and Final Delivery</td>
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<td>Meetings and pre-established teleconferences with the ESPON PST</td>
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6 List of references


Caroleo F. E., Ciociano E., Destefanis S., (2017), The role of the education systems and the labour market institutions in enhancing youth employment: a cross-country analysis, Discussion Paper No. 01, January 2017, ISSN: 2280-9767.


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List of Annexes

Annex: Data sources and availability
The ESPON EGTC is the Single Beneficiary of the ESPON 2020 Cooperation Programme. The Single Operation within the programme is implemented by the ESPON EGTC and co-financed by the European Regional Development Fund, the EU Member States and the Partner States, Iceland, Liechtenstein, Norway and Switzerland.